

ATTACHMENT C

January 19, 2001

Mr. Jeff Ulm
Vice-President
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Dear Jeff,

Thank you for your December 18, 2000 letter responding to our proposal regarding the use of Electronic Letters of Authorization ("ELOAs") as a method for allowing customers to lift PIC freezes. We were disappointed that SBC has chosen to reject our proposal. Our review of the rationales set out in your letter, however, suggest that SBC may not fully understand how the ELOA plan would work. With that in mind, we thought it would be helpful to further explain the nature of the proposal and briefly respond to the concerns raised in your letter.

As you know from our previous correspondence, the centerpiece of our proposal is the use of "e-technology" to allow customers to submit LOAs in electronic rather than "pen-and-ink" written form. Specifically, customer voice recordings would be captured in .wav files that would be made available to SBC either through e-mail or via a web site. Your letter, however, suggests a misunderstanding of MCI's role in the process. Under our proposal, MCI would not be involved in the creation or transmission of ELOAs. The .wav files would be created *at the customer's request* to a third-party representative. At that point, the third-party representative would be acting on behalf of the customer, and would merely provide a medium for the customer to record his or her oral ELOA and a mechanism for transporting it. In this way, the process is similar to when a customer goes to the post office, secures a post card, writes out an LOA, and then asks the post office to deliver it.

With this in mind, I would like to address some of the specific concerns raised in your letter. First, you suggest that the ELOA proposal would raise "process issues" including LOA validation and increased contact with IXCs. As explained above, however, SBC will not have to rely on the word of either MCI or a TPV agent. Instead, SBC will hear *the customer's own voice* authorizing the lifting of a PIC freeze. No additional contact with outside parties would be necessary, thereby reducing the burden on your service representatives who today must respond to those calls. SBC will be participating in substantially fewer three-way calls. Any review of the ELOA would be similar to reviewing a customer's written LOA.

Your letter also addresses "legality and regulatory issues." Again, from a legal perspective, SBC would be in no different position with respect to an ELOA than it would be with a written LOA. SBC currently accepts written LOAs and oral authorizations as methods for lifting PIC freezes as it must under applicable FCC rules. With respect to processing PIC changes, SBC would have no greater liability than it does as an "executing carrier" when a customer requests such a change.

Finally, your letter addresses "desktop issues," which focus on costs. We believe that SBC's cost concerns are overstated given our understanding that SBC employees are already equipped with e-mail capability and web access. To the extent that additional expenditures would be necessary, however, these represent a consequence of the PIC freeze process. The FCC has recognized that customers must have the freedom to lift PIC freezes in order to change carriers. The FCC has further expressed the view that, so long as appropriate protections are in place, the customer should be permitted to lift a freeze with a minimal amount of effort. The ELOA proposal accomplishes this goal. In this regard it is worth noting that the FCC's ELOA rules will soon go into effect, and at that point SBC will have to make whatever changes are necessary to process "e-authorizations for lifting freezes."

I hope that in light of these clarifications, SBC will reconsider our proposal. If you have any additional questions regarding the mechanics of the proposal, please do not hesitate to contact me.

Sincerely,
Mindy Chapman
Director
LEC Interface Operations